

SENIOR AND LONG TERM CARE DIVISION
DIRECT CARE WORKER FUNDING
Medicaid Community Support Services
State Fiscal Year 2016

EXPLANATION AND INSTRUCTIONS

Intent: The 2015 Montana legislature authorized the Department of Public Health and Human Services (Department) funding under House Bill 2 to allow for wage increases or lump sum payments to workers who provide direct care services to Medicaid recipients. Funds in the Direct Care Worker Funding may be used to 1) provide bonus payments (i.e., bonuses, stipend, etc.) to workers who provide Medicaid direct care services and/or 2) raise direct care worker wages and ancillary benefits. The 64th Montana Legislature appropriated additional funding that will provide up to a 25 cent hourly increase in combined wages and benefits in fiscal year 2016. The total funding for this purpose is \$698,130 along with the ongoing funding of \$968,564 combines for total funding of \$1,666,694. The wage initiative for direct care workers will go into effect on July 1, 2015.

Direct Care Worker Definition: A direct care worker for this distribution is defined as: a worker who provides Medicaid agency-based community first choice/personal assistance (AB- CFC/PAS), self-direct community first choice/personal assistance (SD-CFC/PAS), home and community based personal assistance (HCBS-PAS), Big Sky Bonanza community supports (BSB), specially trained attendants (STA), homemaker (HM), and respite (RE). The direct care worker service definition does not include program managers, administrative staff, management staff, schedulers, nurse supervisors or case managers.

Distribution Methodology: The Department will pay Medicaid Community First Choice/Personal Assistance and Home and Community Based Service providers (providers) who submit an approved application a lump-sum distribution in the form of a gross adjustment. The Department will determine the amount of the lump sum distribution to be paid at 6 month intervals, commencing August 2015, and again January 2016. This amount will be in addition to the negotiated rate that is established for each provider according to ARM 37.40.1027.

Each provider’s distribution will be computed by dividing the total appropriation of approximately \$1,666,694 multiplied by the provider’s portion of total projected Medicaid direct care services for FY 2015. The provider’s annual allocation will be divided in two equal halves and that amount will be distributed in two phases, in August 2015 and January 2016 or in a month thereafter as negotiated with the Department. Each provider will receive information on their total allocation as provided in the enclosed FY 2016 Direct Care Worker Distribution Summary. The amount of the lump sum payment that the Department determines payable to each provider as specified in this paragraph will be final. No adjustments will be made in the lump-sum payment amount to account for subsequent changes or adjustments in utilization data or for any other purpose, except that amounts paid are subject to recovery if the provider fails to maintain the required records or spends the funds in a manner other than specified in the request.

Request for Funding: To receive Direct Care Worker Funding, a provider agency must submit the attached application for Department approval. The application includes the application paperwork and three forms: Part A: Bonus Distribution Form; Part B: Wage and Benefits Payment Form; and Part C: Direct Care Worker Supplemental Form. The forms are provided in excel documents. The provider can participate in one or both parts of this distribution (Part A and/or Part B) up to the level of funding provided. Part A, will be completed if the provider plans to distribute bonus funding directly to workers from July 1, 2015-June 30, 2016. Part B, will be completed if the provider plans to distribute a wage increase. The provider must submit all of the information required in the attached application in order to receive Direct Care Worker Funding. Each provider must sign the Medicaid Provider Certification Agreement (see below) and **complete and submit this application to the Department on or before Friday, August 7, 2015.** If the Department does not approve a request, it will return the request to the provider with a statement of the reason for disapproval. The provider will then have a limited time within which to provide justification for its proposed use of the funds. Regardless of whether the cost of a proposal approved by the Department exceeds the amount of funds payable to that provider, the Department will not be obligated to and will not reimburse the provider any more than the provider’s share of the available funding as outlined on the FY 2016 Direct Care Worker Distribution Summary. **If the provider, after receiving approval for their plan, has any substantial changes to their plan, the provider must submit a revised plan to the Department.**

Non-Participation: A provider that does not submit a qualifying application for use of the funds distributed under this program as requested by the Department within the time established by the Department, or a provider that does not wish to participate in this additional funding amount, shall not be entitled to their share of the funds. The Department will not make lump-sum distributions for any nonparticipating or non-qualifying provider.

Records and Documentation: A provider that receives funds under this initiative must maintain appropriate records documenting the expenditure of the funds. This documentation must be maintained and made available to authorized governmental entities and their agents to the same extent as other required records and documentation under applicable Medicaid record requirements, including but not limited to ARM 37.40.1027 and 37.85.414. Reports will be requested on a semi-annual basis and as necessary.

Effective Date: The Department will consider wage increases and lump-sum payments made to direct care workers occurring after July 1, 2015 as meeting the legislative intent for this direct care worker funding. The Department will consider increases that occurred prior to July 1, 2015 **ONLY** for providers that distributed the FY2015 distribution in the form of a wage increase. Those agencies will have the opportunity to sustain this direct care wage funding in FY 2016, to the extent that they can provide the supporting documentation that the wages are continued/sustained in FY 2016.

Reporting Requirements: To the extent of available appropriations, the Department shall provide documentation that these funds are used solely for lump-sum distributions or wage increases to direct care workers. Providers must report lump-sum payment information to the Department on an annual basis for the period July 1, 2015-June 30, 2016. The documentation for Part A funds must include the gross and net bonus payments to workers scheduled for FY 2016 and the documentation for Part B must include the initial wage rates and wage rates after the rate increase have been applied.

Fund Recovery Recovery will occur if a provider is unable to provide the necessary documentation that the funds were distributed to qualified direct care workers as a lump-sum bonus or wage increase, or for related benefits.

Provider Certification and Agreement: By signing this request and in consideration for the payment of funds based upon this application, the Medicaid provider named below ("Provider") represents and agrees as follows:

1. Provider certifies that statements and information included in this agreement are complete, accurate and true to the best of the undersigned program manager’s knowledge. The Provider certifies that any funds received on the basis of this request will be used in the manner represented above to provide for Medicaid direct care worker lump-sum payments or wage increase.
2. Provider agrees to the terms and conditions under which this funding is made available, as stated in this form. Provider agrees that it will make, maintain and provide to authorize governmental entities and their agents, records and documentation in accordance with the requirements specified in this agreement.
3. Provider understands that payment of funds based upon this request will be from federal and state funds, and that any false claims, statement, or documents, or concealment of material fact, may be prosecuted under applicable federal or state laws. Provider understands that the payment made based upon this application is final, that no adjustments will be made in the payment amount to account for subsequent changes in utilization, appropriation amounts, or for any other purpose, except that amounts paid are subject to recovery in the same manner as other overpayments if the provider fails to maintain the required records or use the funds other than represented in this request.

Requesting Provider Identifying Information: Provider Name: _____

Signature of Program Manager: _____ **Date:** _____, 2015

Name of Program Manager (please print): _____

CONTACT PERSON _____ EMAIL ADDRESS _____

PHONE _____

SENIOR AND LONG TERM CARE DIVISION
DIRECT CARE WORKER FUNDING
Medicaid Community Support Services
State Fiscal Year 2016

AGENCY FORM

Please provide information on your agency's plan to distribute the direct care worker funding, notify employees, and track the funding. You may attach a separate document if you prefer. Be sure to address all three components.

Agency Name: _____

1. **Bonus Distribution:** Describe how your agency plans to distribute the bonus to direct care workers. Your plan must clearly describe who will be eligible for the bonus, how the bonus will be calculated, how it will be controlled, and how you will guarantee that all monies will be paid out.

1(a). **I plan to use the same distribution methodology for Phase I and Phase II:** **Yes** **No**
If you answered "no" please describe both distribution plans in the space above.

2. **Employee Notification:** Describe how your agency plans to notify direct care workers about your plan to distribute the wage initiative funding. Include the language that will be used in the notification (or include a sample notification letter). The Department will not mediate between agencies and employees regarding this issue.
3. **Monitoring Plan:** Provide a plan that describes how the lump-sum funding will be tracked to ensure that funding is used to provide a bonus or wage increase to direct care workers.

Don't Forget to include the required forms: Part A, B and C with this Application!

SENIOR AND LONG TERM CARE DIVISION

RETURN COMPLETED APPLICATION AND
SIGNED CERTIFICATION
BY FRIDAY, AUGUST 7TH:

SLTC-CSB- Direct Care Worker Funding
PO Box 4210
Helena, MT 59604-4210

SENIOR AND LONG TERM CARE DIVISION
DIRECT CARE WORKER FUNDING
Medicaid Community Support Services
State Fiscal Year 2016

PART A: Spreadsheet Instructions- Bonus Distribution
Complete Applicable Tabs of the Attached Excel Spreadsheet

Refer to the attached excel spreadsheet. Part A identifies the total bonus distribution by direct care worker type and the total number of employees who will receive the bonus. Note that Part A must be completed for bonus payments; which should be distributed in two phases. Phase I occurs between July 1, 2015-December 31, 2015 and Phase II occurs between January 1, 2016-June 30, 2016.

Worker Type

AB CFC/PAS:	Worker who performs agency-based community first choice and/or personal assistance services
SD CFC/PAS:	Worker who performs self-directed community first choice and/or personal assistance services
HCBS CFC/PAS:	Worker who performs home and community based waiver self-directed or agency-based extended state plan services
HM:	Worker who performs home and community based waiver homemaker service
RESPIRE:	Worker who performs home and community based waiver respite service
STA:	Worker who performs home and community based waiver specially trained attendant service

PART A

Column A:	Identify the total bonus that will be distributed per worker for each phase of the direct care worker distribution. If the distribution will be based on a formula for longevity, hours worked, etc. provide the average bonus amount.
Column B:	Identify the estimated cost for benefits per worker based on the total reported in column A. Circle whether you are using dollars (\$) or percent (%) to report the benefit amount. Note: Benefits are health insurance (cost not reimbursed by Dept.), FICA, pension, workers comp, unemployment, payroll taxes, etc. that are paid by the employer as a part of the worker wage.
Column C:	Indicate the total distribution and estimated benefits per worker. If you used benefit (\$) in column B your Column C total = Column A+ Column B. If you used benefit (%) your Columns C total = (Column B x Column A) + Column A.
Column D:	Identify the actual Full Time Equivalents (FTE) for each worker type for FY 2016. Calculate this by dividing the total number of hours of service provided for this worker type by 2080. For example, if 31,200 hours of service was provided the total FTE would be 15.
Column E:	Indicate the number of workers employees that perform the work in Column D. For example, if 34 workers perform the 31, 200 hours of service report 34 people.
Column F:	Indicate the total cost in dollars for the bonus that will be distributed. Multiply Column A x Column E.
Column G:	Indicate the total cost in dollars for the benefits. Multiply Column B x Column E.
Column H:	Indicate the total cost in dollars for the bonus and the benefits. Multiply Column C x Column E.
Column I:	Indicate the total amount of money the agency will distribute in Phase I (total from Column H)
Column J:	Indicate the total amount of money the agency will distributed in Phase II (total from Column H).
Total:	Indicate the total for Column D (FTE), Column E (provide number of <u>non-duplicative workers</u>), Column F (total bonus), Column G (total benefits), and Column H (total bonus and benefit).

SENIOR AND LONG TERM CARE DIVISION
DIRECT CARE WORKER FUNDING
Medicaid Community Support Services
State Fiscal Year 2016

PART B: Spreadsheet Instructions- Wage Increase
Complete Applicable Tabs of the Attached Excel Spreadsheet

Worker Type

AB CFC/PAS:	Worker who performs agency-based community first choice and/or personal assistance services
SD CFC/PAS:	Worker who performs self-directed community first choice and/or personal assistance services
HCBS CFC/PAS:	Worker who performs home and community based waiver self-directed or agency-based extended state plan services
HM:	Worker who performs home and community based waiver homemaker service
RESPITE:	Worker who performs home and community based waiver respite service
STA:	Worker who performs home and community based waiver specially trained attendant service

PART B

Column A:	Indicate the average hourly wage for each worker type as of June 30, 2015.
Column B:	Indicate the average hourly benefit percent or amount paid for each worker type as of June 30, 2015. You must indicate either dollar (\$) or percent (%) and report this way for all worker types.
Column C:	Indicate the total average wage and benefits for each worker type. If you used (\$) for your benefits the total in Column C will be Column A + Column B. If you used (%) for your benefits your total for Column C will be (Column A x Column B) + Column A.
Column D:	Indicate the average hourly wage for each worker type for FY 2016 (assuming you provide proposed wage increase).
Column E:	Indicate the average hourly benefit percent or amount paid for each worker type as of June 30, 2015. You must indicate either dollar (\$) or percent (%) and report this way for all worker types.
Column F:	Indicate the total average wage and benefits for each worker type. If you used (\$) for your benefits the total in Column F will be Column D + Column E. If you used (%) for your benefits your total for Column F will be (Column D x Column E) + Column D.
Column G:	Identify the actual Full Time Equivalents (FTE) for each worker type for FY 2016. Calculate this by dividing the total number of hours of service provided for this worker type by 2080. For example, if 31,200 hours of service was provided the total FTE would be 15.
Column H:	Indicate the number of workers employees that perform the work in Column G. For example, if 34 workers perform the 31, 200 hours of service report 34 people.
Column I:	Indicate the difference in wage per worker between FY 15 and FY 16. Subtract Column F – Column C).
Column J:	Indicate the total difference in payroll as a result of the wage increase by worker type. Multiply Column G x Column I.
Column K:	Indicate the entry level wage for this worker type in FY 2015 (as of June 30, 2015).
Column L:	Indicate the entry level wage for this worker type in FY 2016 (after the proposed wage increase).
Column M:	Identify the effective date of the wage increase to workers.
Total:	Include the total in each Column G (FTE), Column H (provide number of <u>non-duplicative workers</u>), and Column J (total wage difference).

SENIOR AND LONG TERM CARE DIVISION
DIRECT CARE WORKER FUNDING
Medicaid Community Support Services
State Fiscal Year 2016

**PART C: Spreadsheet Instructions- Wage and Benefit Supplemental
Complete Applicable Tabs of the Attached Excel Spreadsheet**

Worker Type

AB CFC/PAS:	Worker who performs agency-based community first choice and/or personal assistance services
SD CFC/PAS:	Worker who performs self-directed community first choice and/or personal assistance services
HCBS CFC/PAS:	Worker who performs home and community based waiver self-directed or agency-based extended state plan services
HM:	Worker who performs home and community based waiver homemaker service
RESPITE:	Worker who performs home and community based waiver respite service
STA:	Worker who performs home and community based waiver specially trained attendant service

PART C

Column A:	Indicate the average hourly wage for each worker type as of July 1, 2015.
Column B:	Indicate the average benefit cost paid for each worker type. This must be either a percent (%) of the wage or an amount (\$) based on the cost of the wage. See note #2 on the spreadsheet for an example of appropriate benefits to include in the cost.
Column C:	Indicate the total wage and benefits for a worker in this worker type. See note #3 for the calculations compute the total.
Column D:	indicate the number of Full Time Equivalents (FTE) for Fiscal Year 2015 (7/1/14-6/30/15). See Note #1. Divide the total number of hours provided for this worker type by 2080.
Column E:	Indicate the number of workers that were employed to perform work under this worker type on July 1, 2015.
Column F:	Indicate the average ENTRY LEVEL wage for this worker type on July 1, 2015.
TOTAL:	Indicate the total for Column D (FTE) and Column E (unduplicated number of workers).